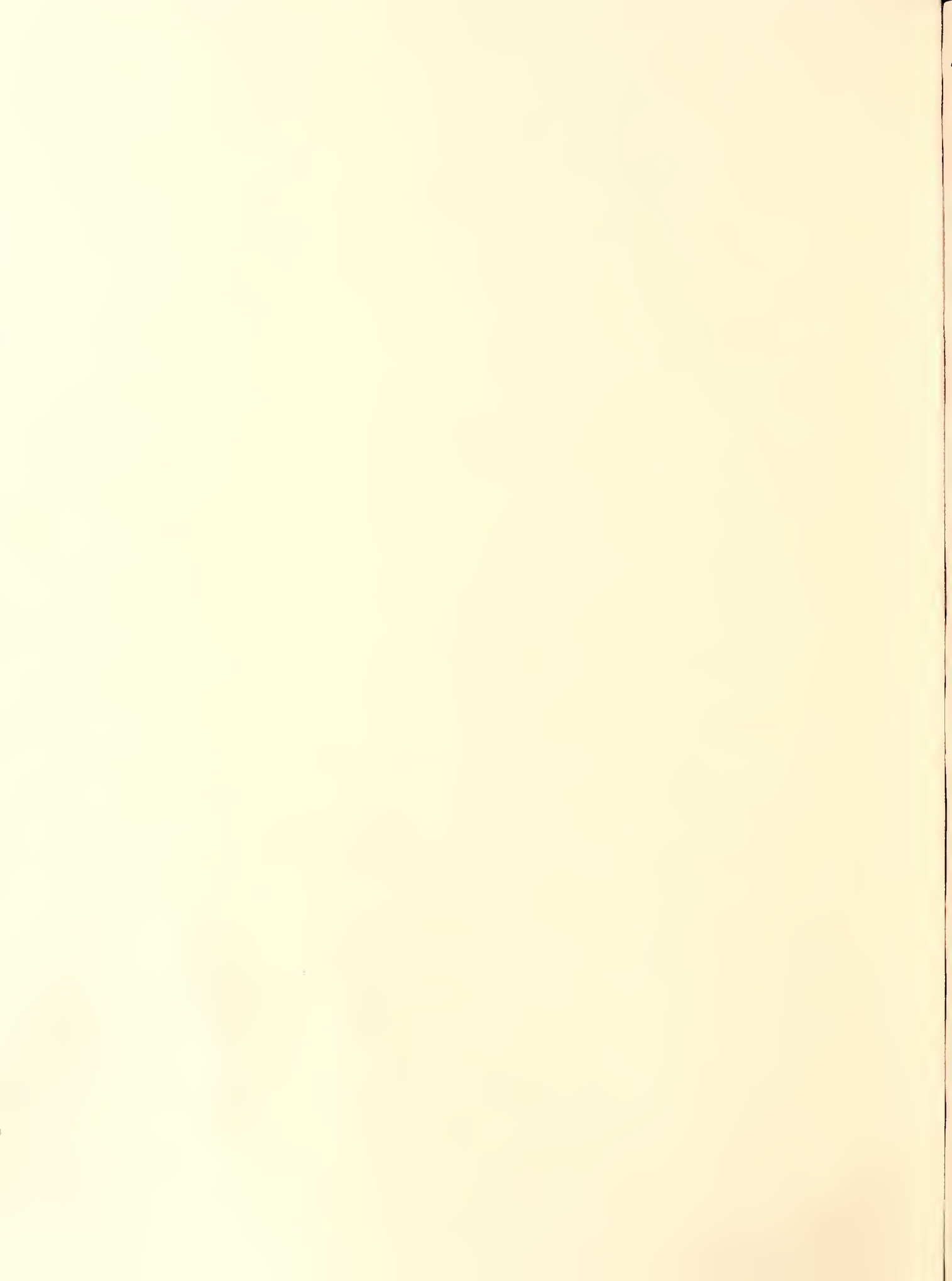


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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE MARKETING AREA

Reserve

Volume 20

U.S. DEPT. OF AGRICULTURE  
APRIL 1976  
FEDERAL LIBRARY  
ACTIVE

Number 9

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS  
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411  
J. E. Bobo, Market Administrator

MARKET SUMMARY - APRIL 1976

CURRENT SERIAL RECORDS

The Chattanooga Order minimum uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$10.25 and Excess Milk - \$8.44. The producer butterfat differential is 10.3 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of \$1.47 and \$1.49 respectively above April 1975.

In April 1976, 74.98% of the producer milk received by pool plants was priced in Class I at \$10.40 per cwt. and 7.77% was priced in Class II at \$8.54 per cwt. and 17.25% was priced in Class III at \$8.44 per cwt. The April 1976 butterfat differential for all milk testing above or below 3.5% is 10.3 cents.

Total producer milk received during April 1976 was 31,657,720 pounds which is an increase of 1,215,481 pounds or 4.0% compared with April 1975. Deliveries of producer Base milk exceeded producer milk in Class I by 2,347,010 pounds or percentagewise only 91.0% of Base milk was used in Class I. The April 1976 daily average deliveries from 504 producers was 2,094 pounds. This compares to 562 farms delivering a daily average of 1,806 pounds per day during April 1975.

HEARING SET JUNE 2 ON 34 FEDERAL MILK MARKETING ORDERS

The U. S. Department of Agriculture (USDA) has scheduled a public hearing in Clayton, Mo., June 2 concerning the pricing of milk for manufacturing uses (Class II) under 34 federal milk marketing orders. Orders affected are the St. Louis-Ozarks and 33 other orders in the central, southern and southwestern parts of the nation. The hearing will begin at 10 a.m. in the Colony Hotel, 7730 Bonhomme Avenue, Clayton, Mo. (near St. Louis).

Mr. H. L. Forest, dairy official in USDA's Agricultural Marketing Service (AMS) said the hearing is being initiated by USDA and is needed because of an April 29 initial decision and order issued by USDA's Judicial Officer. He has found that the denial of "advance" Class II pricing in a decision two years ago was not in accordance with law. The decision involved uniform classification and pricing amendments in 39 orders. Now only 34 orders are involved, due to recent mergers in Texas and upper Midwest.

While no amendment to the orders has been specifically proposed for consideration, the hearing is being held to obtain full evidence on the issue of advance Class II pricing and all specifically related issues. No other issues will be considered.

Mr. Forest said the orders set minimum prices that milk dealers (handlers) must pay to dairy farmers for milk, based on its use. While handlers know in advance how much they must pay farmers for drinking (Class I) milk, they are not advised of the price of milk for manufacturing (Class II) which they use in any month until the fifth day of the following month. The hearing will consider whether this should be changed and the handlers be given advance notice of the Class II price.

Copies of the hearing notice may be obtained from the market administrators of the orders, or from the Dairy Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington, DC 20250

COMPARISON OF MILK RECEIPTS AND UTILIZATION  
(DAILY AVERAGE POUNDS)

|                                       | % Apr. '76<br>Over<br>Apr. '75 | Apr.<br>1976 | Mar.<br>1976 | Apr.<br>1975 |
|---------------------------------------|--------------------------------|--------------|--------------|--------------|
| Number of Plants - Pool               |                                | 4            | 4            | 4            |
| - Non-Pool                            |                                | 11           | 11           | 14           |
| <u>RECEIPTS</u>                       |                                |              |              |              |
| Pool Plants - Producer Milk           | + 4.0                          | 1,055,257    | 1,041,468    | 1,014,741    |
| - Other Source                        | - 1.1                          | 40,287       | 42,880       | 40,726       |
| - Other Federal Order                 | +263.9                         | 8,745        | 3,104        | 2,403        |
| Non-Pool Plants - Cl. I Sales in Area | - 8.2                          | 59,401       | 62,836       | 64,675       |
| TOTAL MILK RECEIPTS                   | + 3.7                          | 1,163,690    | 1,150,288    | 1,122,545    |

UTILIZATIONClass I Uses

|                                       |        |         |         |         |
|---------------------------------------|--------|---------|---------|---------|
| Homogenized Milk                      | - 2.2  | 387,219 | 385,135 | 396,049 |
| Lowfat - 2% Milk                      | + 10.2 | 272,313 | 271,411 | 247,214 |
| Skim and 1% Milk                      | + 4.0  | 22,006  | 21,638  | 21,167  |
| Buttermilk                            | + 6.8  | 61,371  | 58,757  | 57,439  |
| Flavored Milk and Drink               | + 10.3 | 40,889  | 43,014  | 37,063  |
| Sub-Total of Pkg. Items (Pool Plants) | + 3.3  | 783,798 | 779,955 | 758,932 |
| Other, Shrinkage                      |        | 4,344   | 1,000   | 1,714   |
| Sales to Non-Pool Plants              |        | 3,099   | 650     | -0-     |
| In Area Sales by Non-Pool Plants      | - 8.2  | 59,401  | 62,836  | 64,675  |
| TOTAL CLASS I USAGE                   | + 3.1  | 850,642 | 844,441 | 825,321 |

Class II Uses - Pool Plants Only

|                                        |        |         |         |         |
|----------------------------------------|--------|---------|---------|---------|
| Sweet Creams - Routes                  | + 12.6 | 2,602   | 2,414   | 2,311   |
| Sour Cream and Dip - Routes            | + 26.9 | 1,958   | 1,897   | 1,543   |
| Yogurt - Routes                        | + 16.9 | 693     | 689     | 593     |
| Frozen Desserts and Ice Milk Mixes     | + 4.3  | 84,969  | 87,576  | 81,446  |
| Other, Cottage Cheese, Inventory, etc. | - 55.8 | 26,568  | 43,069  | 60,095  |
| Sales to Non-Pool Plants               | + 50.9 | 6,668   | 5,976   | 4,419   |
| TOTAL CLASS II USAGE                   | - 17.9 | 123,458 | 141,621 | 150,407 |

Class III Uses - Pool Plants Only

|                               |        |         |         |         |
|-------------------------------|--------|---------|---------|---------|
| Animal Feed and Dumped        | + 14.3 | 5,084   | 6,060   | 4,449   |
| Class III Shrinkage           | + 2.8  | 16,759  | 11,381  | 16,310  |
| Inventory Variation           |        | (7,546) | 11,822  | 3,846   |
| Other, Overage, etc           |        | 233     | 223     | 43      |
| Bulk Sales to Non-Pool Plants | + 43.3 | 175,060 | 134,740 | 122,169 |
| TOTAL CLASS III USAGE         | + 29.1 | 189,590 | 164,226 | 146,817 |

IN AREA PACKAGE ROUTE DISPOSITION  
BY POOL PLANTS AND NON-POOL PLANTS

|                                   |        |         |         |         |
|-----------------------------------|--------|---------|---------|---------|
| Homogenized Milk                  | - 5.0  | 292,353 | 295,241 | 307,668 |
| Lowfat - 2% Milk                  | + 11.2 | 194,079 | 190,730 | 174,490 |
| Skim and 1% Milk                  | + 2.9  | 15,913  | 15,270  | 15,458  |
| Buttermilk                        | + 4.4  | 46,405  | 44,354  | 44,431  |
| Flavored Milk and Drink           | + 7.1  | 32,708  | 35,532  | 30,538  |
| Total Class I Disposition In-Area | + 1.5  | 581,458 | 581,127 | 572,585 |

CLASS I PKG. ROUTE DISPOSITION

|                            |       |         |         |         |
|----------------------------|-------|---------|---------|---------|
| In-Area by pool plants     | + 2.8 | 522,057 | 518,291 | 507,910 |
| In-Area by non-pool plants | - 8.2 | 59,401  | 62,836  | 64,675  |



## COMPUTATION OF WEIGHTED AVERAGE PRICE

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| APRIL 1976                                                                 | Class<br>Percent | Butterfat<br>Pounds | Product<br>Pounds | Cwt. Price<br>@ 3.5% | Total<br>Value |
|----------------------------------------------------------------------------|------------------|---------------------|-------------------|----------------------|----------------|
| Class I Producer Milk                                                      | 74.9808          | 617,350             | 23,737,221        | \$10.40              | \$2,468,670.99 |
| Class II Producer Milk                                                     | 7.7705           | 225,002             | 2,459,972         | 8.54                 | 210,081.61     |
| Class III Producer Milk                                                    | 17.2487          | 334,104             | 5,460,527         | 8.44                 | 460,868.48     |
| TOTAL PRODUCER MILK                                                        | 100.0000         | 1,176,456           | 31,657,720        |                      | 3,139,621.08   |
| Less Handler Class I Location Adjustment                                   |                  |                     |                   |                      | -0-            |
| Add Value of Overages                                                      |                  |                     |                   |                      | 627.60         |
| Add Inventory Reclassification Charges                                     |                  |                     |                   |                      | -0-            |
| Add Value of Class I Other Source Milk<br>and Producer Location Adjustment |                  |                     |                   |                      | -0-            |
| Add ½ Producer-Settlement Fund Balance                                     |                  |                     |                   |                      | 16,180.30      |
| Total Utilization Value @ 3.5% Test                                        |                  |                     | 31,657,720        | \$ 9.970487          | \$3,156,428.98 |
| Less Producer Settlement Fund Reserve                                      |                  |                     | 31,657,720        | .040487              |                |
| WEIGHTED AVERAGE PRICE @ 3.5% TEST                                         |                  |                     | 31,657,720        | \$ 9.93              |                |

## COMPUTATION OF UNIFORM BASE AND EXCESS PRICES

| APRIL 1976                                                                         | Product<br>Pounds | Cwt. Price<br>@ 3.5% | Excess<br>Value | Total<br>Value |
|------------------------------------------------------------------------------------|-------------------|----------------------|-----------------|----------------|
| Total Utilization Value 3.5% Test                                                  | 31,657,720        | xxx                  | xxx             | \$3,156,428.98 |
| Excess Milk Used in Class I                                                        | -0-               | \$10.40              | -0-             |                |
| Excess Milk Used in Class II                                                       | 112,962           | 8.54                 | 9,646.95        |                |
| Excess Milk Used in Class III                                                      | 5,460,527         | 8.44                 | 460,868.48      |                |
| UNIFORM EXCESS PRICE @ 3.5% TEST                                                   | 5,573,489         | \$ 8.44              | xxx             | 470,402.47     |
| Less FMP from unregulated supply<br>plants allocated to Class I @<br>Wt. Av. Price | -0-               |                      | xxx             | -0-            |
| TOTAL VALUE OF BASE MILK                                                           | 26,084,231        | 10.297511            |                 | \$2,686,026.51 |
| Less Producer-Settlement Fund<br>Reserve                                           | 26,084,231        | .047511              |                 | 12,392.88      |
| UNIFORM BASE PRICE @ 3.5% TEST                                                     | 26,084,231        | \$10.25              |                 | \$2,673,633.63 |

APRIL 1976 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS  
BUTTERFAT DIFFERENTIAL 10.3¢ PER POINT (EXCLUDES PREMIUMS)

| TEST-% | BASE    | EXCESS  | TEST-% | BASE     | EXCESS  | TEST-% | BASE     | EXCESS   |
|--------|---------|---------|--------|----------|---------|--------|----------|----------|
| 3.0    | \$9.735 | \$7.925 | 4.0    | \$10.765 | \$8.955 | 5.0    | \$11.795 | \$ 9.985 |
| 3.05   | 9.7865  | 7.9765  | 4.05   | 10.8165  | 9.0065  | 5.05   | 11.8465  | 10.0365  |
| 3.1    | 9.838   | 8.028   | 4.1    | 10.868   | 9.058   | 5.1    | 11.898   | 10.088   |
| 3.15   | 9.8895  | 8.0795  | 4.15   | 10.9195  | 9.1095  | 5.15   | 11.9495  | 10.1395  |
| 3.2    | 9.941   | 8.131   | 4.2    | 10.971   | 9.161   | 5.2    | 12.001   | 10.191   |
| 3.25   | 9.9925  | 8.1825  | 4.25   | 11.0225  | 9.2125  | 5.25   | 12.0525  | 10.2425  |
| 3.3    | 10.044  | 8.234   | 4.3    | 11.074   | 9.264   | 5.3    | 12.104   | 10.294   |
| 3.35   | 10.0955 | 8.2855  | 4.35   | 11.1255  | 9.3155  | 5.35   | 12.1555  | 10.3455  |
| 3.4    | 10.147  | 8.337   | 4.4    | 11.177   | 9.367   | 5.4    | 12.207   | 10.397   |
| 3.45   | 10.1985 | 8.3885  | 4.45   | 11.2285  | 9.4185  | 5.45   | 12.2585  | 10.4485  |
| 3.5    | 10.25   | 8.44    | 4.5    | 11.28    | 9.47    | 5.5    | 12.31    | 10.50    |
| 3.55   | 10.3015 | 8.4915  | 4.55   | 11.3315  | 9.5215  | 5.55   | 12.3615  | 10.5515  |
| 3.6    | 10.353  | 8.543   | 4.6    | 11.383   | 9.573   | 5.6    | 12.413   | 10.603   |
| 3.65   | 10.4045 | 8.5945  | 4.65   | 11.4345  | 9.6245  | 5.65   | 12.4645  | 10.6545  |
| 3.7    | 10.456  | 8.646   | 4.7    | 11.486   | 9.676   | 5.7    | 12.516   | 10.706   |
| 3.75   | 10.5075 | 8.6975  | 4.75   | 11.5375  | 9.7275  | 5.75   | 12.5675  | 10.7575  |
| 3.8    | 10.559  | 8.749   | 4.8    | 11.589   | 9.779   | 5.8    | 12.619   | 10.809   |
| 3.85   | 10.6105 | 8.8005  | 4.85   | 11.6405  | 9.8305  | 5.85   | 12.6705  | 10.8605  |
| 3.9    | 10.662  | 8.852   | 4.9    | 11.692   | 9.882   | 5.9    | 12.722   | 10.912   |
| 3.95   | 10.7135 | 8.9035  | 4.95   | 11.7435  | 9.9335  | 5.95   | 12.7735  | 10.9635  |

## CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

| Date     | PRODUCER UNIFORM PRICES 1/ |        |        |                    | HANDLER CLASS PRICES 1/ |          |           |
|----------|----------------------------|--------|--------|--------------------|-------------------------|----------|-----------|
|          | Per Hundredweight          |        |        | Butterfat<br>Diff. | Per Hundredweight       |          |           |
|          | Uniform                    | Base   | Excess |                    | Class I                 | Class II | Class III |
| Apr. '75 | \$8.48 2/                  | \$8.78 | \$6.95 | 8.0¢               | \$9.00                  | \$7.04   | \$6.94    |
| May      | 8.60 2/                    | 8.88   | 7.04   | 8.0                | 9.01                    | 7.12     | 7.02      |
| June     | 8.61 2/                    | 8.90   | 7.13   | 8.0                | 9.09                    | 7.21     | 7.11      |
| July     | 8.76 2/                    | 9.12   | 7.40   | 8.8                | 9.17                    | 7.45     | 7.35      |
| Aug.     | 8.95                       | -      | -      | 9.6                | 9.26                    | 7.80     | 7.70      |
| Sept.    | 9.40                       | -      | -      | 10.1               | 9.50                    | 8.37     | 8.27      |
| Oct.     | 9.71                       | -      | -      | 10.7               | 9.85                    | 8.70     | 8.60      |
| Nov.     | 10.20                      | -      | -      | 11.2               | 10.42                   | 8.94     | 8.84      |
| Dec.     | 10.47                      | -      | -      | 11.9               | 10.75                   | 9.18     | 9.08      |
| Jan. '76 | 10.67                      | -      | -      | 9.9                | 10.99                   | 9.00     | 8.90      |
| Feb.     | 10.52                      | -      | -      | 9.3                | 11.23                   | 8.35     | 8.25      |
| Mar.     | 10.45 2/                   | 10.77  | 8.60   | 9.9                | 11.05                   | 8.70     | 8.60      |
| Apr.     | 9.93 2/                    | 10.25  | 8.44   | 10.3               | 10.40                   | 8.54     | 8.44      |
| May      | -                          | -      | -      | -                  | 10.75                   | -        | -         |
| June     | -                          | -      | -      | -                  | 10.59                   | -        | -         |

| Date     | PRICE QUOTATIONS |           |            | PRODUCER MILK        |         |         |                |      |      |
|----------|------------------|-----------|------------|----------------------|---------|---------|----------------|------|------|
|          | Chi. 92°         | Chi. Area | Minn/Wisc. | Daily Average Pounds |         |         | Percentage Use |      |      |
|          | Butter           | Powder    | Mfg. Milk  | Class                | Class   | Class   | Per Class      |      |      |
|          | ¢ Lb.            | ¢ Lb.     | Cwt. -3.5% | I                    | II      | III     | I              | II   | III  |
| Apr. '75 | 69.19            | 60.66     | \$6.94     | 759,785              | 108,797 | 146,159 | 74.9           | 10.7 | 14.4 |
| May      | 69.19            | 60.36     | 7.02       | 780,974              | 92,334  | 110,920 | 79.3           | 9.4  | 11.3 |
| June     | 69.19            | 60.44     | 7.11       | 721,087              | 118,266 | 113,532 | 75.7           | 12.4 | 11.9 |
| July     | 76.62            | 60.45     | 7.35       | 758,335              | 126,105 | 96,461  | 77.3           | 12.9 | 9.8  |
| Aug.     | 83.56            | 61.44     | 7.70       | 774,089              | 122,771 | 68,717  | 80.2           | 12.7 | 7.1  |
| Sept.    | 87.87            | 64.08     | 8.27       | 845,822              | 63,103  | 22,796  | 90.8           | 6.8  | 2.4  |
| Oct.     | 93.04            | 68.29     | 8.60       | 802,424              | 61,598  | 42,129  | 88.6           | 6.8  | 4.6  |
| Nov.     | 97.28            | 71.36     | 8.84       | 789,061              | 61,333  | 70,400  | 85.7           | 6.7  | 7.6  |
| Dec.     | 103.62           | 71.17     | 9.08       | 781,138              | 56,999  | 106,216 | 82.7           | 6.0  | 11.3 |
| Jan. '76 | 86.12            | 66.04     | 8.90       | 793,143              | 65,413  | 81,716  | 84.3           | 7.0  | 8.7  |
| Feb.     | 80.94            | 64.25     | 8.25       | 776,243              | 73,379  | 174,585 | 75.8           | 7.2  | 17.0 |
| Mar.     | 86.05            | 63.37     | 8.60       | 781,605              | 95,916  | 163,947 | 75.0           | 9.2  | 15.8 |
| Apr.     | 89.52            | 62.90     | 8.44       | 791,241              | 81,999  | 182,017 | 75.0           | 7.8  | 17.2 |

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

| Date     | HANDLER GROSS MILK 3/ |           |         | PRODUCER DATA |       |           |          |         |         |
|----------|-----------------------|-----------|---------|---------------|-------|-----------|----------|---------|---------|
|          | No.                   | Total     | Class I | Pool          | No.   | Total     | Base     | Average | Av. Per |
|          | Hdlers                | Receipts  | Use     | Plants        | Prod. | Delivery  | Delivery | Test-%  | Farm    |
| Apr. '75 | 18                    | 1,122,545 | 825,321 | 4             | 562   | 1,014,741 | 854,515  | 3.78    | 1,806   |
| May      | 18                    | 1,101,844 | 846,701 | 4             | 557   | 984,228   | 840,125  | 3.74    | 1,767   |
| June     | 18                    | 1,057,279 | 772,728 | 4             | 570   | 952,885   | 802,710  | 3.71    | 1,672   |
| July     | 18                    | 1,097,026 | 811,262 | 4             | 625   | 980,901   | 782,023  | 3.64    | 1,569   |
| Aug.     | 16                    | 1,063,347 | 704,708 | 4             | 612   | 965,577   | -        | 3.60    | 1,578   |
| Sept.    | 16                    | 1,077,503 | 908,919 | 4             | 540   | 931,721   | -        | 3.66    | 1,725   |
| Oct.     | 16                    | 1,046,372 | 867,764 | 4             | 505   | 906,151   | -        | 3.81    | 1,794   |
| Nov.     | 15                    | 1,035,802 | 845,453 | 4             | 501   | 920,794   | -        | 3.87    | 1,838   |
| Dec.     | 15                    | 1,042,931 | 840,671 | 4             | 507   | 944,353   | -        | 3.97    | 1,863   |
| Jan. '76 | 15                    | 1,065,845 | 872,481 | 4             | 509   | 940,272   | -        | 4.03    | 1,847   |
| Feb.     | 15                    | 1,137,045 | 836,640 | 4             | 538   | 1,024,207 | -        | 3.93    | 1,904   |
| Mar.     | 15                    | 1,150,288 | 844,441 | 4             | 506   | 1,041,468 | 892,803  | 3.82    | 2,058   |
| Apr.     | 15                    | 1,163,690 | 850,642 | 4             | 504   | 1,055,257 | 869,474  | 3.72    | 2,094   |

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross Minus Producer